

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6907

BILL NUMBER: SB 192

DATE PREPARED: Jan 4, 1999

BILL AMENDED:

SUBJECT: Elimination of School General Fund Property Taxes.

FISCAL ANALYST: David Hoppmann

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FUNDS AFFECTED:

**GENERAL
DEDICATED
FEDERAL**

IMPACT: Pending

Summary of Legislation: This bill eliminates the authority of a school corporation to impose a school General Fund property tax levy for the general operation and maintenance of the school corporation beginning in 2004. It provides a property tax replacement credit for school General Fund property taxes in 2000 through 2003 beginning at 20% and increasing by 20% each year. It terminates the authority of: (1) Lake County to impose a property tax for a County Supplemental School Distribution Fund; (2) Dearborn County to impose a property tax for a County School Distribution Fund; and (3) a school corporation in Lake County to impose a property tax for a Supplemental School Operating Reserve Fund.

The bill continues the authority of a school corporation to impose a school General Fund property tax levy for certain public libraries, nursery schools, historical societies, art associations, cultural institutions, public playgrounds, and the Children's Museum in Marion County.

This bill provides an alternate method for calculating the amount of financial institution taxes and auto excise taxes to be distributed to school corporations after the elimination of the school General Fund property tax.

This bill also recodifies provisions of current law concerning emergency loans to school corporations and the duty of a school corporation to raise sufficient property tax revenues to repay outstanding bonds and other debt payable from the Transportation Fund, Capital Projects Fund, or Debt Service Fund.

This bill provides that the maximum amount of money that a school corporation can authorize for an emergency loan to its school General Fund, be computed based on the amount of money available in the school General Fund rather than on the amount of property tax revenue in the school General Fund. It also makes other related and conforming changes.

Effective Date: July 1, 1999; April 1, 2002; July 1, 2002; January 1, 2003; January 1, 2004; March 1, 2004.

Explanation of State Expenditures: *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources: